

HOUSE BILL No. 1398

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-5.

Synopsis: College contribution income tax credit. Increases the maximum income tax credit for contributions by individuals to Indiana institutions of higher education from \$100 to \$200 for single returns and from \$200 to \$400 for joint returns.

Effective: January 1, 2007 (retroactive).

Ruppel, Klinker, Micon, Koch

January 16, 2007, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1398

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-3-3-5 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 5. (a) At
3 the election of the taxpayer, there shall be allowed, as a credit against
4 the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for
5 the taxable year, an amount (subject to the applicable limitations
6 provided by this section) equal to fifty percent (50%) of the aggregate
7 amount of charitable contributions made by such taxpayer during such
8 year to institutions of higher education located within Indiana, to any
9 corporation or foundation organized and operated solely for the benefit
10 of any such institution of higher education, or to the associated colleges
11 of Indiana.
12 (b) In the case of a taxpayer other than a corporation, the amount
13 allowable as a credit under this section for any taxable year shall not
14 exceed ~~one~~ **two** hundred dollars (~~\$100~~) (**\$200**) in the case of a single
15 return or ~~two~~ **four** hundred dollars (~~\$200~~) (**\$400**) in the case of a joint
16 return.
17 (c) In the case of a corporation, the amount allowable as a credit

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under this section for any taxable year shall not exceed:

(1) ten percent (10%) of such corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for such year (as determined without regard to any credits against that tax); or

(2) one thousand dollars (\$1,000);

whichever is less.

(d) For purposes of this section, the term "institution of higher education" means any educational institution located within Indiana:

(1) which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on;

(2) which regularly offers education at a level above the twelfth grade;

(3) which regularly awards either associate, bachelors, masters, or doctoral degrees, or any combination thereof; and

(4) which is duly accredited by the North Central Association of Colleges and Schools, the Indiana state board of education, or the American Association of Theological Schools.

(e) The credit allowed by this section shall not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

**SECTION 2. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]
IC 6-3-3-5, as amended by this act, applies only to taxable years beginning after December 31, 2006.**

SECTION 3. An emergency is declared for this act.

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